

**CHAPTER 266**  
**(CORRECTED COPY)**

**AN ACT** concerning the distribution of certain proceeds for standardbred and thoroughbred horse races, and amending and supplementing various parts of the statutory law.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

1. Section 44 of P.L.1940, c.17 (C.5:5-64) is amended to read as follows:

C.5:5-64 Distribution of parimutuel pools.

44. Each holder of a permit shall distribute all sums deposited in any pool where the patron is required to select one horse to the winners thereof, less an amount which in harness races shall not exceed 17% of the total deposits plus the breaks and which in other races shall not exceed 17% of the total deposits plus the breaks. In every pool where the patron is required to select two horses, the holder of each permit for either harness or running track shall distribute all sums deposited in each pool to the winners thereof, less an amount which shall not exceed 19% of the total deposits plus the breaks. In every pool where the patron is required to select three or more horses, every holder of a permit shall distribute all sums deposited in each pool to the winners thereof, less an amount which shall not exceed 25% of the total deposits plus the breaks. Every permitholder shall distribute to the persons holding winning tickets in any of the aforementioned pools, as a minimum, a sum not exceeding \$0.10, calculated on the basis of each dollar deposited in any pool after the deduction of the said 17%, 19% or 25%, as the case may be. Should the amount remaining in the pool be insufficient to pay the winners the minimum, the breakage accruing in that race, or any necessary portion thereof, shall be applied toward making up any such deficiency. The breaks are hereby defined as the odd cents over any multiple of \$0.10, calculated on the basis of \$1.00 otherwise payable to a patron. Every permitholder engaged in the business of conducting running race meetings under this act, except the New Jersey Sports and Exposition Authority established pursuant to P.L.1971, c.137 (C.5:10-1 et seq.) or a lessee of the authority, shall distribute as purse money the breaks as herein defined, except as the same shall have been applied toward making up a deficiency in a pool as herein provided. Every permitholder engaged in the business of conducting harness race meetings under this act, except the New Jersey Sports and Exposition Authority or a lessee of the authority, shall retain for his own uses and purposes 50% of the breaks as herein defined, except as the same shall have been applied toward making up a deficiency in the pool as herein provided, and shall distribute as purse money the remaining 50%. The New Jersey Sports and Exposition Authority or a lessee of the authority shall retain all breaks as revenue, except as the same shall have been applied toward making up a deficiency in a pool as herein provided.

Every permitholder shall submit to the commission every seventh day of any and every race meeting a report under oath showing the daily and total amount of such breaks, together with such other information as the commission may require. All sums held by any permitholder for payment of outstanding parimutuel tickets not claimed by the person or persons entitled thereto within six months from the time such tickets are issued shall be paid upon the expiration of such six-month holding period as follows:

- a. In the case of running and harness races, beginning July 1, 1997 50% of those sums shall be paid to the racing commission for deposit in the general fund of the State and disposition in accordance with section 4 of P.L.1997, c.29 (C.5:5-68.1);

b. In the case of running races, 50% of those sums shall be paid to the commission and set aside in the special trust account established pursuant to section 46 b.(1)(e) and section 46 b.(2)(e) of P.L.1940, c.17 (C.5:5-66); and

c. In the case of harness races, 25% of those sums shall be retained by the permitholder to supplement purses for sire stakes races on which there is parimutuel wagering, and 25% shall be retained by the permitholder to supplement overnight purses unless otherwise provided by a contractual agreement authorized under section 11 of P.L.2013, c.266 (C.5:5-188).

Where it is shown to the satisfaction of the commission that the reason for the parimutuel tickets being outstanding and unclaimed is the loss, misplacement or theft of said tickets within the confines and control of the parimutuel department of any permitholder, and it is further shown to the satisfaction of the commission that said parimutuel tickets have been cashed by such parimutuel department, the commission may adjust and credit the permitholder's account accordingly and the permitholder shall reimburse any employee who has been held personally accountable and paid for such lost, stolen or misplaced tickets. All outstanding parimutuel ticket money shall be deposited in an account separate and apart from the track's mutuel or general treasury account. The outstanding parimutuel ticket account shall be subject to the rules and regulations prescribed by the Division of New Jersey Racing Commission.

2. Section 46 of P.L.1940, c.17 (C.5:5-66) is amended to read as follows:

C.5:5-66 Disposition of undistributed deposits.

46. Every permitholder engaged in the business of conducting horse race meetings under this act, except the New Jersey Sports and Exposition Authority established pursuant to P.L.1971, c.137 (C.5:10-1 et seq.) or a lessee of the authority, shall make disposition of the deposits remaining undistributed pursuant to section 44 of P.L.1940, c.17 (C.5:5-64) as follows:

a. In the case of harness races:

(1) On a racing day designated or allotted as a charity racing day pursuant to P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or section 1 of P.L.1997, c.80 (C.5:5-44.9), pay to the commission, at the time and in the manner prescribed by the commission, 1.25% of so much of the total contributions to all parimutuel pools conducted or made on any and every horse race, except that for pools where the patron is required to select two horses, the permitholder shall pay 2.25% of the total contributions and for pools where the patron is required to select three or more horses, the permitholder shall pay 5.25% of the total contributions;

(2) Hold and set aside in an account designated as a special trust account 1.15% of such total contributions in all pools, to be used and distributed as hereinafter provided and as provided in section 5 of P.L.1967, c.40 (C.5:5-88), for the following purposes and no other:

(a) 37% thereof to increase purses and grant awards for starting horses, as provided or as may be provided by rules of the New Jersey Racing Commission, with payment to be made in the same manner as payment of other purses and awards, unless otherwise provided by a contractual agreement authorized under section 11 of P.L.2013, c.266 (C.5:5-188);

(b) 55% thereof for the establishment of a Sire Stakes Program for standardbred horses, with payment to be made to the Department of Agriculture for administration as hereinbefore provided;

(c) 5% thereof to the Sire Stakes Program for purse supplements designed to improve and promote the standardbred breeding industry in New Jersey by increasing purses for owners of horses that are sired by a New Jersey registered stallion and are eligible to participate in the Sire Stakes Program. The Sire Stakes Program board of trustees shall consult with the Standardbred Breeders' and Owners' Association of New Jersey before disbursing money for purse supplements;

(d) 3% thereof for other New Jersey horse breeding and promotion conducted by the New Jersey Department of Agriculture.

(3) Retain 7.7875%, or in the case of races on a charity racing day 7.20%, of so much of such total contributions for his own uses and purposes. Notwithstanding the foregoing, for pools where the patron is required to select two horses, the permitholder shall retain 8.7575%, or in the case of races on a charity racing day 7.70%, of the total contributions and for pools where the patron is required to select three or more horses, the permitholder shall retain 11.6675%, or in the case of races on a charity racing day 9.20%, of the total contributions. Each permitholder shall contribute out of its 11.6675% or 9.20% share of pools, where the patron is required to select three or more horses, a sum deemed necessary by the racing commission, to finance a prerace blood testing program, and such other testing programs which the commission shall deem proper and necessary and which shall be subject to the regulation and control of said commission.

(4) Distribute as purse money and for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey 7.69375%, or in the case of races on a charity racing day 7.40%, of such total contributions. Expenditures for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey shall not exceed 3.2% of the sum available for distribution as purse money. The formula for distribution of the purse money as either overnight purses or special stakes shall be determined by an agreement between the Standardbred Breeders' and Owners' Association of New Jersey and the tracks. Notwithstanding the foregoing, for pools where the patron is required to select two or more horses, the permitholder shall distribute as purse money 8.42875%, or in the case of races on a charity racing day 7.90%, of the total contributions and for pools where the patron is required to select three or more horses, the permitholder shall distribute as purse money 10.63375%, or in the case of races on a charity racing day 9.40%, of the total contributions. Notwithstanding the foregoing, for pools where a patron is required to select three or more horses, each permitholder shall retain out of the 10.63375% or 9.40% to be distributed as purse money a sum deemed necessary by the racing commission, for use by the commission to finance a prerace blood testing program, and such other testing programs which the commission shall deem proper and necessary and which shall be subject to the regulation and control of said commission. Notwithstanding the foregoing, the sum available for distribution as purse money under this subsection may be distributed as provided by a contractual agreement authorized under section 11 of P.L.2013, c.266 (C.5:5-188).

(5) In the case of races on a racing day other than a charity racing day, distribute to the Standardbred Breeders' and Owners' Association of New Jersey for the administration of a health benefits program for horsemen .29375% of such total contributions, except that for pools where the patron is required to select two or more horses, the amount shall be .52875%, and for pools where the patron is required to select three or more horses, the amount shall be 1.23375%.

(6) In the case of races on a racing day other than a charity racing day, distribute to the Sire Stakes Program for standardbred horses .05% of such total contributions, except that for

pools where the patron is required to select two or more horses, the amount shall be .09%, and for pools where the patron is required to select three or more horses, the amount shall be .21%.

(7) In the case of races on a racing day other than a charity racing day, distribute to the Backstretch Benevolency Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .025% of such total contributions, except that for pools where the patron is required to select two or more horses, the amount shall be .045%, and for pools where the patron is required to select three or more horses, the amount shall be .105%.

Except as otherwise provided by law, no admission or amusement tax, excise tax, license or horse racing fee of any kind shall be assessed or collected from any permitholder by the State of New Jersey, or by any county or municipality, or by any other body having power to assess or collect license fees or taxes.

b. In the case of running races:

(1) Where the amount derived from the parimutuel handle, excluding the handle derived from intertrack wagering, does not exceed \$1 million per day based on such contributions accumulated and averaged during the calendar year, the permitholder shall:

(a) On a racing day designated or allotted as a charity racing day pursuant to P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or section 1 of P.L.1997, c.80 (C.5:5-44.9), pay to the commission, at the time and in the manner prescribed by the commission, .30% of so much of the total contributions to all parimutuel pools conducted or made on any and every horse race, except that for pools where the patron is required to select three or more horses, the permitholder shall pay 1.30% of the total contributions.

(b) Hold and set aside in an account designated as a special trust account .05% of such total contributions to be used and distributed for State horse breeding and development programs, research, fairs, horse shows, youth activities, promotion and administration, as provided in section 5 of P.L.1967, c.40 (C.5:5-88).

(c) Retain 9.991%, or in the case of races on a charity racing day 9.85%, of such total contributions for his own uses and purposes. For pools where the patron is required to select two horses, the permitholder shall retain 11.061%, or in the case of races on a charity racing day 10.92%, of the total contributions and for pools where the patron is required to select three or more horses, the permitholder shall retain 13.941%, or in the case of races on a charity racing day 13.33%, of the total contributions. Each permitholder shall contribute out of its 13.941% or 13.33% share of pools, where the patron is required to select three or more horses, a sum deemed necessary by the racing commission, to finance a prerace blood testing program, and such other testing programs which the commission shall deem proper and necessary and which shall be subject to the regulation and control of the commission.

(d) Distribute as purse money and for programs designed to aid the horsemen and the New Jersey Thoroughbred Horsemen's Association 6.141%, or in the case of races on a charity racing day 6.00%, of such contributions. Notwithstanding the foregoing, for pools where the patron is required to select two horses, the permitholder shall distribute as purse money 7.071%, or in the case of races on a charity racing day 6.93%, of such contributions and for pools where the patron is required to select three or more horses, the permitholder shall distribute as purse money 9.631%, or in the case of races on a charity racing day 9.02%, of the total contributions. Expenditures for programs designed to aid the horsemen and the New Jersey Thoroughbred Horsemen's Association shall not exceed 2.5% of the sum available for distribution as purse money from all parimutuel pools. The formula for distribution of the purse money as either overnight purses or special stakes shall be determined by an agreement between the New Jersey Thoroughbred Horsemen's Association

and the permitholder. Notwithstanding the foregoing, for pools where a patron is required to select three or more horses, each permitholder shall retain out of the 9.631% or 9.02% to be distributed as purse money a sum deemed necessary by the racing commission, for use by the commission to finance a prerace blood testing program, and such other testing programs which the commission shall deem proper and necessary and which shall be subject to the regulation and control of the commission. Notwithstanding the foregoing, the sum available for distribution as purse money under this subsection may be distributed as provided by a contractual agreement authorized under section 12 of P.L.2013, c.266 (C.5:5-189).

(e) Deduct and set aside in a special trust account for the establishment and support by the commission of the thoroughbred breeding industry in New Jersey .8% of such total contributions, except that for pools where the patron is required to select three or more horses, the amount shall be 1.3%. The money in the special trust account shall be used to: (i) improve purses for closed races; (ii) provide awards to owners and breeders of registered New Jersey bred horses who earn portions of purses in open or closed races at New Jersey race tracks or in closed races at an out-of-State track as part of a multi-state event to promote thoroughbred breeding, and to owners of stallions posted on the official stallion roster of the Thoroughbred Breeders' Association of New Jersey, which sire such New Jersey bred money earners; and (iii) provide awards to the New Jersey Thoroughbred Breeders' Association for programs beneficial to thoroughbred breeding in this State. In any calendar year in which there is a surplus in the special trust account, the surplus funds may be used to provide awards to breeders or owners of registered New Jersey bred horses who earn portions of purses in races at an out-of-State racetrack held at least 30 days before the start of the first thoroughbred meet of the calendar year of more than 10 days' duration at a racetrack in this State or at least 30 days following the conclusion of the last thoroughbred meet of the calendar year of more than 10 days' duration at a racetrack in this State. The New Jersey thoroughbred award program shall be administered and disbursed by the Thoroughbred Breeders' Association of New Jersey subject to the approval of the commission. The special trust account to be established pursuant to this paragraph shall be separate and apart from the special trust account established and maintained pursuant to subparagraph (b) of this paragraph.

(f) (Deleted by amendment, P.L.1986, c.19.)

(g) In the case of races on a racing day other than a charity racing day, distribute to the Thoroughbred Breeders' Association of New Jersey .012% of such total contributions, except that for pools where the patron is required to select three or more horses, the amount shall be .052%.

(h) In the case of races on a racing day other than a charity racing day, distribute to the Backstretch Benevolency Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .006% of such total contributions, except that for pools where the patron is required to select three or more horses, the amount shall be .026%.

(i) (Deleted by amendment, P.L.2002, c.103).

(j) Except as otherwise provided by law, not be subject to an admission or amusement tax, excise tax, license or horse racing fee of any kind by the State of New Jersey, or by any county or municipality, or by any other body having power to assess or collect license fees or taxes.

(2) Where the amount derived from the parimutuel handle, excluding the handle derived from intertrack wagering, exceeds \$1 million per day based on such contributions accumulated and averaged during the calendar year, the permitholder shall:

(a) On a racing day designated or allotted as a charity racing day pursuant to P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or section 1 of P.L.1997, c.80 (C.5:5-44.9), pay to the commission, at the time and in the manner prescribed by the commission, .50% of so much of the total contributions to all parimutuel pools conducted or made on any and every horse race.

(b) Hold and set aside in an account designated as a special trust account .05% of such total contributions to be used and distributed for State horse breeding and development programs, research, fairs, horse shows, youth activities, promotion and administration, as provided in section 5 of P.L.1967, c.40 (C.5:5-88).

(c) Retain 9.305%, or in the case of races on a charity racing day 9.07%, of such total contributions for his own uses and purposes. For pools where the patron is required to select two horses, the permitholder shall retain 10.375%, or in the case of races on a charity racing day 10.14%, of the total contributions and for pools where the patron is required to select three or more horses, the permitholder shall retain 13.545%, or in the case of races on a charity racing day 13.31%, of the total contributions. Each permitholder shall contribute out of its 13.545% or 13.31% share of pools, where the patron is required to select three or more horses, a sum deemed necessary by the racing commission, to finance a prerace blood testing program, and such other testing programs which the commission shall deem proper and necessary and which shall be subject to the regulation and control of the commission.

(d) Distribute as purse money and for programs designed to aid the horsemen and the New Jersey Thoroughbred Horsemen's Association 6.815%, or in the case of races on a charity racing day 6.58%, of such contributions. Notwithstanding the foregoing, for pools where the patron is required to select two horses, the permitholder shall distribute as purse money 7.745%, or in the case of races on a charity racing day 7.51%, of such contributions and for pools where the patron is required to select three or more horses, the permitholder shall distribute as purse money 10.085%, or in the case of races on a charity racing day 9.85%, of the total contributions. Expenditures for programs designed to aid the horsemen and the New Jersey Thoroughbred Horsemen's Association shall not exceed 2.5% of the sum available for distribution as purse money from all parimutuel pools. The formula for distribution of the purse money as either overnight purses or special stakes shall be determined by an agreement between the New Jersey Thoroughbred Horsemen's Association and the permitholder. Notwithstanding the foregoing, for pools where a patron is required to select three or more horses, each permitholder shall retain out of the 10.085% or 9.85% to be distributed as purse money a sum deemed necessary by the racing commission, for use by the commission to finance a prerace blood testing program, and such other testing programs which the commission shall deem proper and necessary and which shall be subject to the regulation and control of the commission. Notwithstanding the foregoing, the sum available for distribution as purse money under this subsection may be distributed as provided by a contractual agreement authorized under section 12 of P.L.2013, c.266 (C.5:5-189).

(e) Deduct and set aside in a special trust account for the establishment and support by the commission of the thoroughbred breeding industry in New Jersey .8% of such total contributions, except that for pools where the patron is required to select three or more horses, the amount shall be 1.29%. The money in the special trust account shall be used to: (i) improve purses for closed races; (ii) provide awards to owners and breeders of registered New Jersey bred horses who earn portions of purses in open or closed races at New Jersey race tracks or in closed races at an out-of-State track as part of a multi-state event to promote thoroughbred breeding, and to owners of stallions posted on the official stallion roster of the Thoroughbred Breeders' Association of New Jersey, which sire such New Jersey bred money

earners; and (iii) provide awards to the New Jersey Thoroughbred Breeders' Association for programs beneficial to thoroughbred breeding in this State. In any calendar year in which there is a surplus in the special trust account, the surplus funds may be used to provide awards to breeders or owners of registered New Jersey bred horses who earn portions of purses in races at an out-of-State racetrack held at least 30 days before the start of the first thoroughbred meet of the calendar year of more than 10 days' duration at a racetrack in this State or at least 30 days following the conclusion of the last thoroughbred meet of the calendar year at a racetrack of more than 10 days' duration in this State. The New Jersey thoroughbred award program shall be administered and disbursed by the Thoroughbred Breeders' Association of New Jersey subject to the approval of the commission. The special trust account to be established pursuant to this paragraph shall be separate and apart from the special trust account established and maintained pursuant to subparagraph (b) of this paragraph.

(f) (Deleted by amendment, P.L.1986, c.19.)

(g) In the case of races on a racing day other than a charity racing day, distribute to the Thoroughbred Breeders' Association of New Jersey .02% of such total contributions.

(h) In the case of races on a racing day other than a charity racing day, distribute to the Backstretch Benevolency Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .01% of such total contributions.

(i) (Deleted by amendment, P.L.2002, c.103).

(j) Except as otherwise provided by law, not be subject to an admission or amusement tax, excise tax, license or horse racing fee of any kind from any permit holder by the State of New Jersey, or by any county or municipality, or by any other body having power to assess or collect license fees or taxes.

3. Section 8 of P.L.1985, c.269 (C.5:5-117) is amended to read as follows:

C.5:5-117 Distribution of purse money.

8. Except as provided by section 8 of P.L.1991, c.411 (C.5:5-124), by the rules and regulations of the commission with respect to interstate common pools, and by a contractual agreement authorized by section 11 or section 12 of P.L.2013, c.266 (C.5:5-188 or C.5:5-189), the in-State sending track shall reserve and set aside out of the portion of the parimutuel pool to be distributed as purse money pursuant to section 46 of P.L.1940, c.17 (C.5:5-66) an amount equal to 25%, of the amount that would be distributed as purse money pursuant to that section on the basis of the parimutuel pool generated at the receiving track. These sums shall be forwarded to the receiving track and shall be used to supplement the payment of overnight purses at the next horse race meeting to be conducted by the receiving track, except that if the receiving track is conducting a horse race meeting at the same time as the receipt of the simulcast horse races, the receiving track shall use those sums to supplement overnight purses at that horse race meeting.

4. Section 38 of P.L.1992, c.19 (C.5:5-126) is amended to read as follows:

C.5:5-126 Distribution of amounts resulting from parimutuel pool for out-of-State program.

38. a. If a receiving track which is authorized by the New Jersey Racing Commission to receive the racing program, in full or in part, from an out-of-State sending track pursuant to section 37 of this act is not conducting live racing at the time of receiving the out-of-State races, the amount resulting from the takeout rate shall be distributed as follows:

(1) (Deleted by amendment, P.L.1993, c.353.)

(2) .50% of the parimutuel pool generated at the in-State receiving track shall be deposited as follows:

(a) in the case of an in-State receiving track which conducts harness races, in the special trust account established pursuant to or specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution as provided in section 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1), (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b), and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii), and (iii) of P.L.1971, c.137 (C.5:10-7); and

(b) in the case of an in-State receiving track which conducts running races, in the special trust account established pursuant to or specified in section 46b.(1)(e) or (2)(e) of P.L.1940, c.17 (C.5:5-66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution as provided therein;

(3) .03% of the parimutuel pool generated at the in-State receiving track shall be paid to the New Jersey Racing Commission and set aside in the special trust account for horse breeding and development for distribution and use as provided in section 5 of P.L.1967, c.40 (C.5:5-88);

(4) on the basis of all races in each program, or if two or more programs are being transmitted simultaneously, on the basis of all races in all such programs running simultaneously, 3.735% of the first \$100,000 of the total pool generated at the in-State receiving track; 5.235% of the total pool from \$100,001 to \$150,000; 5.735% of the total pool from \$150,001 to \$250,000; 6.235% of the total pool from \$250,001 to \$300,000; and, if the amount of the total pool is above \$300,000, 6.485% of the total amount of the pool or the percentage of the parimutuel pool for overnight purses on live races that the receiving track and horsemen have agreed to by contract, whichever is greater, shall be paid as follows:

(a) in the case of an in-State receiving track which conducts harness races, .1175% of the parimutuel pool to the Standardbred Breeders' and Owners' Association of New Jersey for the administration of a health benefits program for horsemen, and the remaining amount as overnight purse money at the next race meeting at the receiving track, except that if the receiving track is conducting a horse race meeting at the same time as the receipt of the simulcast horse races, the receiving track shall use those sums to supplement overnight purses at that horse race meeting, and for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey, as provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, or as provided by a contractual agreement authorized under section 11 of P.L.2013, c.266 (C.5:5-188); and

(b) in the case of an in-State receiving track which conducts running races, as overnight purse money at the next race meeting at the receiving track, except that if the receiving track is conducting a horse race meeting at the same time as the receipt of the simulcast horse races, the receiving track shall use those sums to supplement overnight purses at that horse race meeting, and for programs designed to aid the horsemen and the New Jersey Thoroughbred Horseman's Benevolent Association, as provided in section 46b.(1)(d) or (2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, or as provided by a contractual agreement authorized under section 12 of P.L.2013, c.266 (C.5:5-189);



(5) .02% of the parimutuel pool generated at the in-State receiving track shall be paid as follows:

(a) in the case of an in-State receiving track which conducts harness races, to the Sire Stakes Program for standardbred horses; and

(b) in the case of an in-State receiving track which conducts running races, to the Thoroughbred Breeders' Association of New Jersey;

(6) .01% of the parimutuel pool generated at the in-State receiving track shall be paid to the Backstretch Benevolency Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8); and

(7) the amount remaining after the deduction of the amounts under paragraphs (2), (3), (4), (5), and (6) shall be paid to the receiving track.

b. If a receiving track includes out-of-State races as part of its live racing program in any way, the amount resulting from the takeout rate shall be distributed as follows:

(1) (Deleted by amendment, P.L.1993, c.353.)

(2) .50% of the parimutuel pool generated at the in-State receiving track shall be deposited as follows:

(a) in the case of an in-State receiving track which conducts harness races, in the special trust account established pursuant to or specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution as provided in section 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1), (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b), and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii), and (iii) of P.L.1971, c.137 (C.5:10-7); and

(b) in the case of an in-State receiving track which conducts running races, in the special trust account established pursuant to or specified in section 46b.(1)(e) or (2)(e) of P.L.1940, c.17 (C.5:5-66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution as provided therein;

(3) .03% of the parimutuel pool generated at the in-State receiving track shall be paid to the New Jersey Racing Commission and set aside in the special trust account for horse breeding and development for distribution and use as provided in section 5 of P.L.1967, c.40 (C.5:5-88);

(4) 6.235% of the parimutuel pool generated at the in-State receiving track or the percentage of the parimutuel pool for overnight purses on live races that the racetrack and horsemen have agreed to by contract, whichever is greater, shall be paid as follows:

(a) in the case of an in-State receiving track which conducts harness races, .1175% of the parimutuel pool to the Standardbred Breeders' and Owners' Association of New Jersey for the administration of a health benefits program for horsemen, and the remaining amount as overnight purse money at the current race meeting at the receiving track and for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey, as provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, or as provided by a contractual agreement authorized under section 11 of P.L.2013, c.266 (C.5:5-188); and

(b) in the case of an in-State receiving track which conducts running races, as overnight purse money at the current race meeting at the receiving track and for programs designed to aid the horsemen and the New Jersey Thoroughbred Horseman's Benevolent Association, as provided in section 46b.(1)(d) or (2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate,

or as provided by a contractual agreement authorized under section 12 of P.L.2013, c.266(C.5:5-189);

(5) .02% of the parimutuel pool generated at the in-State receiving track shall be paid as follows:

(a) in the case of an in-State receiving track which conducts harness races, to the Sire Stakes Program for standardbred horses; and

(b) in the case of an in-State receiving track which conducts running races, to the Thoroughbred Breeders' Association of New Jersey;

(6) .01% of the parimutuel pool generated at the in-State receiving track shall be paid to the Backstretch Benevolency Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8); and

(7) the amount remaining after the deduction of the amounts under paragraphs (2), (3), (4), (5), and (6) shall be paid to the receiving track.

c. All breakage moneys and outstanding parimutuel ticket moneys resulting from the wagering at the receiving track on the additional out-of-State simulcast races authorized by section 37 shall be divided as follows:

(1) 50% shall be paid to the receiving track; and

(2) 50% shall be paid as follows:

(a) in the case of an in-State receiving track which conducts harness races, as overnight purse money at the receiving track and for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey, as provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, or as provided by a contractual agreement authorized under section 11 of P.L.2013, c.266 (C.5:5-188); and

(b) in the case of an in-State receiving track which conducts running races, as overnight purse money at the receiving track and for programs designed to aid the horsemen and the New Jersey Thoroughbred Horseman's Benevolent Association, as provided in section 46b.(1)(d) or (2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, or as provided by a contractual agreement authorized under section 12 of P.L.2013, c.266 (C.5:5-189).

d. Nothing set forth in this section shall be construed to prohibit the distribution of amounts resulting from the parimutuel pool for an out-of-State program in a manner that is inconsistent with the provisions of subsection a., subsection b., or subsection c. of this section, if such alternative distribution is consistent with and pursuant to an agreement between the permit holder at Monmouth Park, the permit holder at the Meadowlands Racetrack, the Standardbred Breeders' and Owners' Association of New Jersey, and the New Jersey Thoroughbred Horsemen's Association.

5. Section 21 of P.L.2001, c.199 (C.5:5-147) is amended to read as follows:

C.5:5-147 Distribution of sums in parimutuel pool.

21. Sums wagered at an off-track wagering facility on races being transmitted to that off-track wagering facility from an in-State sending track and sums wagered through the account wagering system on a race conducted at an in-State host track shall be deposited in the parimutuel pool generated at the in-State track for those races and shall be distributed in accordance with the provisions of section 44 of P.L.1940, c.17 (C.5:5-64) or section 1 of P.L.1984, c.236 (C.5:5-64.1), as appropriate. Such sums wagered at an off-track wagering

facility or through the account wagering system which remain undistributed pursuant to those sections shall be distributed as follows, except that moneys resulting from breakage on amounts wagered at the off-track wagering facility or through the account wagering system and from outstanding parimutuel ticket moneys issued at the off-track wagering facility or through the account wagering system shall be distributed as provided by subsection g. of this section.

a. 6% of the parimutuel pool generated at the off-track wagering facility or through the account wagering system shall be paid to the in-State track for overnight purses or, in the case of standardbred races, may be distributed as provided by a contractual agreement authorized under section 11 of P.L.2013, c.266 (C.5:5-188) or, in the case of thoroughbred races, may be distributed as provided by a contractual agreement authorized under section 12 of P.L.2013, c.266 (C.5:5-189). In the event that (1) any racetrack at which a horse race meeting was conducted in calendar year 2000 ceases to operate as a racetrack prior to calendar year 2003 and (2) an off-track wagering facility is operated on that former racetrack site, 6.15% of the parimutuel pool generated at that off-track wagering facility shall be paid to the in-State sending track for overnight purses.

b. 0.6% of the parimutuel pool generated at the off-track wagering facility or through the account wagering system shall be set aside as follows:

(1) in the case of harness races conducted by an in-State track, in the special trust account established pursuant to or specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution as provided in section 46a.(2)(a),(b) and (c) of P.L.1940, c.17 (C.5:5-66), sections 2b.(1), (2) and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b) and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii) and (iii) of P.L.1971, c.137 (C.5:10-7); and

(2) in the case of running races conducted by an in-State track, in the special trust account established pursuant to or specified in section 46b.(1)(e) or (2)(e) of P.L.1940, c.17 (C.5:5-66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution as provided therein, as appropriate.

c. 0.02% of the parimutuel pool generated at the off-track wagering facility or through the account wagering system shall be paid to Breeding and Development.

d. 0.02% of the parimutuel pool generated at the off-track wagering facility or through the account wagering system shall be paid to Backstretch Benevolency.

e. 0.06% of the parimutuel pool generated at the off-track wagering facility or through the account wagering system shall be set aside as follows: (1) in the case of harness races, to Health and Welfare; and (2) in the case of running races, to Thoroughbred Breeders and Stallions.

f. The remainder of the parimutuel pool after deduction of the amounts under subsections a. through e. of this section shall be paid to the off-track wagering licensee or the account wagering licensee, as appropriate on a pro rata basis, as determined by the commission based upon the volume of wagering handled by each licensee.

g. All breakage moneys and outstanding parimutuel ticket moneys resulting from wagering at the off-track wagering facility or through the account wagering system on races conducted by an in-State track shall be paid to the commission for racing costs in accordance with section 26 of this act. If in any calendar year the total amount of breakage moneys and outstanding parimutuel ticket moneys referred to herein exceeds amounts required to pay racing costs as provided in section 26 of this act, such remaining funds shall be allocated as

follows: 50% to the off-track wagering licensee or the account wagering licensee, as appropriate and 50% to the New Jersey Racing Industry Special Fund.

6. Section 27 of P.L.2001, c.199 (C.5:5-153) is amended to read as follows:

C.5:5-153 "New Jersey Racing Industry Special Fund."

27. The commission shall establish and administer a separate fund to be known as the "New Jersey Racing Industry Special Fund" into which shall be deposited the sums dedicated to the fund by sections 19, 21 and 25 of this act. Money deposited in this special fund shall be disbursed monthly by the commission and used as follows:

a. 92% shall be distributed as follows:

(1) in the case of money deposited into the special fund from the off-track wagering facility located on the former site of the Atlantic City Race Course, or, if no off-track wagering facility exists on that former site, the off-track wagering facility located closest to that former site, 100% to permit holders conducting thoroughbred racing;

(2) except as provided in paragraph (1), 65% to permit holders conducting thoroughbred racing and 35% to permit holders conducting harness racing;

Of the allocations made pursuant to this subsection to permit holders conducting thoroughbred racing, specific distributions shall be made to the overnight thoroughbred purse account of each permit holder and for programs designed to aid the thoroughbred horsemen and the New Jersey Thoroughbred Horseman's Association. Expenditures for programs designed to aid the thoroughbred horsemen and the New Jersey Thoroughbred Horseman's Association shall not exceed 2.9% of such allocations. Distribution among thoroughbred permit holders shall be based on the following formula: total overnight thoroughbred purse distribution for each permit holder in the prior calendar year divided by the total overnight thoroughbred purse distribution of all permit holders in the prior calendar year. Notwithstanding the foregoing, the sum allocated to permit holders conducting thoroughbred races under this subsection may be distributed as provided by a contractual agreement authorized under section 12 of P.L.2013, c.266 (C.5:5-189).

Of the allocations made pursuant to this subsection to permit holders conducting standardbred racing, specific distributions shall be made to the overnight standardbred purse account of each permit holder and for programs designed to aid the standardbred horsemen and the Standardbred Breeders' and Owners' Association of New Jersey. Expenditures for programs designed to aid the standardbred horsemen and the Standardbred Breeders' and Owners' Association of New Jersey shall not exceed 5% of such allocations. Distribution among standardbred permit holders shall be based on the following formula: total overnight standardbred purse distribution for each permit holder in the prior calendar year divided by the total overnight standardbred purse distribution of all permit holders in the prior calendar year. Notwithstanding the foregoing, the sum allocated to permit holders conducting harness racing under this subsection may be distributed as provided by a contractual agreement authorized under section 11 of P.L.2013, c.266 (C.5:5-188).

b. 8% shall be distributed as follows:

(1) in the case of money deposited into the special fund from the off-track wagering facility located on the former site of the Atlantic City Race Course, or, if no off-track wagering facility exists on that former site, the off-track wagering facility located closest to that former site, 100% to thoroughbred funds; and

(2) except as provided in paragraph (1), 65% to thoroughbred funds and 35% to harness funds.

Of the amounts distributed to thoroughbred funds pursuant to this subsection, the following distributions shall apply: 94% to Thoroughbred Breeders and Stallions; 3% to Backstretch Benevolency; and 3% to Breeding and Development.

Of the amount distributed to harness funds pursuant to this subsection, the following distributions shall apply: 75% to Sire Stakes; 8% to Breeders and Stallions; 3.5% to Backstretch Benevolency; 10% to Health and Welfare; and 3.5% to Breeding and Development.

7. Section 14 of P.L.2011, c.15 (C.5:5-181) is amended to read as follows:

C.5:5-181 Payment of moneys derived from exchange wagering.

14. Of the monies distributed to overnight purses pursuant to subsection b. of section 13 of this act, P.L.2011, c.15 (C.5:5-180), all moneys derived from exchange wagering on thoroughbred races shall be paid to overnight purses for thoroughbred races and all monies derived from exchange wagering on standardbred races shall be paid to overnight purses for standardbred races. On or after January 1, 2014, the formula for allocating overnight purse monies from exchange wagering to overnight purses set forth in this section may be modified by the mutual agreement of the Standardbred Breeders and Owners Association of New Jersey and the New Jersey Thoroughbred Horsemen's Association. Nothing contained in this section shall be construed as a precedent for establishing the division of overnight purse amounts between standardbred races and thoroughbred races.

Notwithstanding the foregoing, the sum derived from exchange wagering on standardbred races pursuant to subsection b. of section 13 of P.L.2011, c.15 (C.5:5-180) may be distributed as provided by a contractual agreement authorized under section 11 of P.L.2013, c.266 (C.5:5-188). Notwithstanding the foregoing, the sum derived from exchange wagering on thoroughbred races pursuant to subsection b. of section 13 of P.L.2011, c.15 (C.5:5-180) may be distributed as provided by a contractual agreement authorized under section 12 of P.L.2013, c.266 (C.5:5-189).

8. Section 7 of P.L.1971, c.137 (C.5:10-7) is amended to read as follows:

C.5:10-7 Application for permit.

7. a. The authority or a lessee of the authority is hereby authorized, licensed and empowered to apply to the Racing Commission for a permit or permits to hold and conduct, at any of the projects set forth in paragraphs (1) and (5) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6), horse race meetings for stake, purse or reward, and to provide a place or places on the race meeting grounds or enclosure for wagering by patrons on the results of such horse races by the parimutuel system, and to receive charges and collect all revenues, receipts and other sums from the operation thereof and, in the case of the authority, the ownership thereof.

b. Except as otherwise provided in this section, such horse race meetings and parimutuel wagering shall be conducted by the authority or a lessee of the authority in the manner and subject to compliance with the standards set forth in P.L.1940, c.17 (C.5:5-22 et seq.) and the rules, regulations and conditions prescribed by the Racing Commission thereunder for the conduct of horse race meetings and for parimutuel betting at such meetings.

c. Application for said permit or permits shall be on such forms and shall include such accompanying data as the Racing Commission shall prescribe for other applicants. The Racing Commission shall proceed to review and act on any such application within 30 days

after its filing and the Racing Commission is authorized in its sole discretion to determine whether a permit shall be granted to the authority or a lessee of the authority. If, after such review, the Racing Commission acts favorably on such application, a permit shall be granted to the authority or a lessee of the authority without any further approval and shall remain in force and effect so long as any bonds or notes of the authority remain outstanding, the provisions of any other law to the contrary notwithstanding. In granting a permit to the authority or a lessee of the authority to conduct a horse race meeting, the Racing Commission shall not be subject to any limitation as to the number of tracks authorized for the conduct of horse race meetings pursuant to any provision of P.L.1940, c.17 (C.5:5-22 et seq.). Said permit shall set forth the dates to be allotted to the authority for its initial horse race meetings. Thereafter application for dates for horse race meetings by the authority or a lessee of the authority and the allotment thereof by the Racing Commission, including the renewal of the same dates theretofore allotted, shall be governed by the applicable provisions of P.L.1940, c.17 (C.5:5-22 et seq.). Notwithstanding the provisions of any other law to the contrary, the Racing Commission shall allot annually to the authority or a lessee of the authority for the Meadowlands Complex, in the case of harness racing, not less than the number of racing days allotted pursuant to subsection b. of section 30 of P.L.2001, c.199 (C.5:5-156), and in the case of running racing, not less than 56 racing days, if and to the extent that application is made therefor.

d. No hearing, referendum or other election or proceeding, and no payment, surety or cash bond or other deposit, shall be required for the authority or a lessee of the authority to hold or conduct the horse race meetings with parimutuel wagering herein authorized.

e. The authority or a lessee of the authority shall determine the amount of the admission fee for the races and all matters relating to the collection thereof.

f. Distribution of sums deposited in parimutuel pools to winners thereof shall be in accordance with the provisions of section 44 of P.L.1940, c.17 (C.5:5-64) pertaining thereto. The authority or a lessee of the authority shall make disposition of the deposits remaining undistributed as follows:

(1) In the case of harness races:

(a) Hold and set aside in an account designated as a special trust account 1% of such total contributions in all pools, to be used and distributed as hereinafter provided and as provided in section 5 of P.L.1967, c.40, for the following purposes and no other:

(i) 42 1/2% thereof to increase purses and grant awards for starting horses, as provided or as may be provided by rules of the New Jersey Racing Commission, with payment to be made in the same manner as payment of other purses and awards, unless otherwise provided by a contractual agreement authorized under section 11 of P.L.2013, c.266 (C.5:5-188);

(ii) 49% thereof for the establishment of a Sire Stakes Program for standardbred horses, with payment to be made to the Department of Agriculture for administration as hereinbefore provided;

(iii) 5 1/2% thereof to the Sire Stakes Program for purse supplements designed to improve and promote the standardbred breeding industry in New Jersey by increasing purses for owners of horses that are sired by a New Jersey registered stallion and are eligible to participate in the Sire Stakes Program. The Sire Stakes Program board of trustees shall consult with the Standardbred Breeders' and Owners' Association of New Jersey before disbursing money for purse supplements;

(iv) 3% thereof for other New Jersey horse breeding and promotion conducted by the New Jersey Department of Agriculture.

Payment of the sums held and set aside pursuant to subparagraphs (iii) and (iv) shall be made to the commission every seventh day of any and every race meeting in the amount then due, as determined in the manner provided above, and shall be accompanied by a report under oath showing the total of all such contributions, together with such other information as the commission may require.

(b) Distribute as purse money and for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey 5.1175%, or in the case of races on a charity racing day 5%, of such total contributions. Expenditures for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey shall not exceed 5% of the sum available for distribution as purse money. The formula for distribution of the purse money as either overnight purses or special stakes shall be determined by an agreement between the Standardbred Breeders' and Owners' Association of New Jersey and the authority or a lessee of the authority. Notwithstanding the foregoing, for pools where the patron is required to select two or more horses, the authority or a lessee of the authority shall distribute as purse money 5.6175%, or in the case of races on a charity racing day 5.5%, of the total contributions and for pools where the patron is required to select three or more horses, the authority or a lessee of the authority shall distribute as purse money 7.1175%, or in the case of races on a charity racing day 7%, of the total contributions. Notwithstanding the foregoing, for pools where a patron is required to select three or more horses, the authority or a lessee of the authority shall retain out of the 7.1175% or 7% to be distributed as purse money a sum deemed necessary by the racing commission, for use by the commission to finance a prerace blood testing program, and such other testing programs which the commission shall deem proper and necessary and which shall be subject to the regulation and control of said commission. Notwithstanding the foregoing, the sum available for distribution as purse money under this subsection may be distributed as provided by a contractual agreement authorized under section 11 of P.L.2013, c.266 (C.5:5-188).

(c) In the case of races on a racing day other than a charity racing day, distribute to the Standardbred Breeders' and Owners' Association of New Jersey for the administration of a health benefits program for horsemen .1175% of such total contributions.

(d) In the case of races on a racing day other than a charity racing day, distribute to the Sire Stakes Program for standardbred horses .02% of such total contributions.

(e) In the case of races on a racing day other than a charity racing day, distribute to the Backstretch Benevolency Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .01% of such total contributions.

(2) In the case of running races:

(a) Hold and set aside in an account designated as a special trust account .05% of such total contributions, to be used and distributed for State horse breeding and development programs, research, fairs, horse shows, youth activities, promotion and administration, as provided in section 5 of P.L.1967, c.40 (C.5:5-88).

(b) Distribute as purse money and for programs designed to aid the horsemen and the New Jersey Thoroughbred Horsemen's Association 4.475%, or in the case of races on a charity racing day 4.24%, of such total contributions. Expenditures for programs designed to aid the horsemen and the New Jersey Thoroughbred Horsemen's Association shall not exceed 2.9% of the sum available for distribution as purse money. The formula for distribution of the purse money as either overnight purses or special stakes shall be determined by an agreement between the New Jersey Thoroughbred Horsemen's Association and the authority or a lessee of the authority. Notwithstanding the foregoing, for pools where the patron is required to select three or more horses, the authority or a lessee of the authority shall

distribute as purse money 7.475%, or in the case of races on a charity racing day 7.24%, of the total contributions. Notwithstanding the foregoing, the sum available for distribution as purse money under this subsection may be distributed as provided by a contractual agreement authorized under section 12 of P.L.2013, c.266 (C.5:5-189).

(c) Deduct and set aside in a special trust account established pursuant to section 46b.(1)(e) and 46b.(2)(e) of P.L.1940, c.17 (C.5:5-66) for the establishment and support by the commission of the thoroughbred breeding industry in New Jersey .1% of such total contributions, except that for pools where the patron is required to select three or more horses, the amount shall be .6%. The money in the special trust account shall be used to: (i) improve purses for closed races; (ii) provide awards to owners and breeders of registered New Jersey bred horses who earn portions of purses in open and closed races at New Jersey race tracks or in closed races at an out-of-State track as part of a multi-state event to promote thoroughbred breeding, and to owners of stallions posted on the official stallion roster of the Thoroughbred Breeders' Association of New Jersey, which sire such New Jersey bred money earners; and (iii) provide awards to the New Jersey Thoroughbred Breeders' Association for programs beneficial to thoroughbred breeding in this State. The New Jersey thoroughbred award program shall be administered and disbursed by the Thoroughbred Breeders' Association of New Jersey subject to the approval of the commission. The special trust account to be established pursuant to this paragraph shall be separate and apart from the special trust account established and maintained pursuant to subparagraph (a) of this paragraph.

(d) In the case of races on a racing day other than a charity racing day, distribute to the Thoroughbred Breeders' Association of New Jersey .02% of such total contributions.

(e) In the case of races on a racing day other than a charity racing day, distribute to the Backstretch Benevolency Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .01% of such total contributions.

Payment of the sums held and set aside pursuant to subparagraphs (a) and (c) of this subsection shall be made to the commission every seventh day of any and every race meeting in the amount then due, as determined in the manner provided above, and shall be accompanied by a report under oath showing the total of all such contributions, together with such other information as the commission may require.

In addition to the amounts above, in the case of races on a racing day designated or allotted as a charity racing day pursuant to P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or section 1 of P.L.1997, c.80 (C.5:5-44.9), an amount equal to 1/2 of 1% of all parimutuel pools shall be paid to the commission at the time and in the manner prescribed by the commission.

All amounts remaining in parimutuel pools, including the breaks, after such distribution and payments shall constitute revenues of the authority or a lessee of the authority. Except as otherwise expressly provided in this section 7, the authority or a lessee of the authority shall not be required to make any payments to the Racing Commission or others in connection with contributions to parimutuel pools.

g. All sums held by the authority or a lessee of the authority for payment of outstanding parimutuel tickets not claimed by the person or persons entitled thereto within the time provided by law shall be paid upon the expiration of such time, without further obligation to such ticketholder, as follows:

(1) In the case of running and harness races, beginning July 1, 1997 50% of those sums shall be paid to the Racing Commission for deposit in the general fund of the State and disposition in accordance with section 4 of P.L.1997, c.29 (C.5:5-68.1);



(2) In the case of running races, 50% of those sums shall be paid to the commission and set aside in the special trust account established pursuant to section 46b.(1)(e) and section 46b.(2)(e) of P.L.1940, c.17 (C.5:5-66); and

(3) In the case of harness races, 25% of those sums shall be retained by the permitholder to supplement purses for sire stakes races on which there is parimutuel wagering, and 25% shall be retained by the permitholder to supplement overnight purses unless otherwise provided by a contractual agreement authorized under section 11 of P.L.2013, c.266 (C.5:5-188).

h. No admission or amusement tax, excise tax, license or horse racing fee of any kind shall be assessed or collected from the authority or a lessee of the authority by the State of New Jersey, or by any county or municipality, or by any other body having power to assess or collect license fees or taxes.

i. Any horse race meeting and the parimutuel system of wagering upon the results of horse races held at such race meeting shall not under any circumstances, if conducted as provided in the act and in conformity thereto, be held or construed to be unlawful, other statutes of the State to the contrary notwithstanding.

j. Each employee of the authority or a lessee of the authority engaged in the conducting of horse race meetings shall obtain the appropriate license from the Racing Commission, subject to the same terms and conditions as is required of similar employees of other permitholders. The Racing Commission may suspend any member of the authority upon approval of the Governor and the license of any employee of the authority or a lessee of the authority in connection with the conducting of horse race meetings, pending a hearing by the Racing Commission, for any violation of the New Jersey laws regulating horse racing or any rule or regulation of the commission. Such hearing shall be held and conducted in the manner provided in said laws.

k. Notwithstanding any other provision of law, rule, or regulation to the contrary, if the authority shall enter into an agreement with a private entity to lease a racetrack facility it owns to that entity, it may further agree with that entity to jointly operate the facility during a transitional period. The transitional period shall only last:

(1) until the private entity lessee has been fully licensed by the New Jersey Racing Commission and has received all necessary permits to conduct future horse race meetings at the racetrack in the manner and subject to compliance with the standards set forth in P.L.1940, c.17 (C.5:5-22 et seq.), and the rules, regulations, and conditions prescribed by the New Jersey Racing Commission thereunder; or

(2) for one year from the date that the lease agreement is signed, whichever is shorter.

The New Jersey Racing Commission may extend the transitional period for a reasonable time frame beyond one year from the date that the lease agreement is signed, however under no circumstances can the transitional period extend beyond two years from the date that the lease agreement is signed. At the expiration of the transitional period and any extension granted by the New Jersey Racing Commission, the private entity lessee shall be required to have obtained all the necessary permits and licenses in the manner and subject to compliance with the standards set forth in P.L.1940, c.17 (C.5:5-22 et seq.), and the rules, regulations, and conditions prescribed by the New Jersey Racing Commission thereunder. During this transitional period, the private entity lessee shall be permitted to conduct horse race meetings and wagering through its own employees or through the authority's employees, provided that the authority or the private entity lessee holds a permit issued pursuant to section 30 of P.L.1940, c.17 (C.5:5-50). During this transitional period, the authority may also assign any portion of the proceeds it receives from the operation of the leased racetrack

to the private entity lessee. During the transitional period, the private entity lessee and the authority must remain, at all times, in compliance with P.L.1940, c.17 (C.5:5-22 et seq.), except that the private entity need not obtain a permit pursuant to section 30 of P.L.1940, c.17 (C.5:5-50) if the authority has been granted one by the New Jersey Racing Commission.

9. Section 8 of P.L.1992, c.19 (C.5:12-198) is amended to read as follows:

C.5:12-198 Distribution of undistributed casino wagers.

8. Sums wagered at a casino on races being transmitted to that casino from an in-State sending track shall be deposited in the parimutuel pool generated at the in-State sending track for those races and shall be distributed in accordance with the provisions of section 44 of P.L.1940, c.17 (C.5:5-64) or section 1 of P.L.1984, c.236 (C.5:5-64.1), as appropriate. The sums wagered at a casino which remain undistributed pursuant to those sections shall be distributed as follows:

a. .50% of the parimutuel pool generated at the casino shall be paid to the New Jersey Racing Commission for deposit in the Casino Simulcasting Fund established pursuant to section 18 of this act;

b. 8.25% of the pool generated at the casino for a race where the patron is required to select one horse, 9.25% of the pool generated at the casino for a race where the patron is required to select two horses, and 12.25% of the pool generated at the casino for a race where the patron is required to select three or more horses shall be paid to the casino receiving the simulcast race;

c. .50% of the pool generated at the casino shall be set aside as follows:

(1) in the case of harness races being transmitted from an in-State sending track, in the special trust account established pursuant to or specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution as provided in section 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1), (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b), and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii), and (iii) of P.L.1971, c.137 (C.5:10-7), as appropriate; and

(2) In the case of running races being transmitted from an in-State sending track, in the special trust account established pursuant to or specified in section 46b.(1)(e) and (2)(e) of P.L.1940, c.17 (C.5:5-66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution as provided therein;

d. .03% of the parimutuel pool generated at the casino shall be paid to the New Jersey Racing Commission and set aside in the special trust account for horse breeding and development for distribution and use as provided in section 5 of P.L.1967, c.40 (C.5:5-88); and

e. 7.72% of the pool generated at the casino for a race where the patron is required to select one horse, 8.72% of the pool generated at the casino for a race where the patron is required to select two horses, and 11.72% of the pool generated at the casino for a race where the patron is required to select three or more horses shall be distributed as follows:

(1) 50% of that amount shall be retained by the sending track, except that each sending track shall contribute, out of its share of a pool generated for a race where the patron is required to select three or more horses, a sum deemed necessary by the New Jersey Racing Commission for use by the commission to finance a prerace bloodtesting program and such

other testing programs which that commission shall deem proper and necessary and which shall be subject to the regulation and control of that commission; and

(2) 50% of that amount shall be distributed as follows:

(a) in the case of harness races being transmitted from an in-State sending track, as overnight purse money at the sending track and for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey, as provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, including the retention, out of this share of a parimutuel pool where the patron is required to select three or more horses, of a sum deemed necessary by the New Jersey Racing Commission for use by that commission to finance a prerace blood testing program and such other testing programs which that commission shall deem proper and necessary and which shall be subject to the regulation and control of that commission, or as provided by a contractual agreement authorized under section 11 of P.L.2013, c.266 (C.5:5-188); and

(b) in the case of running races being transmitted from an in-State sending track, as overnight purse money at the sending track and for programs designed to aid the horsemen and the New Jersey Thoroughbred Horseman's Benevolent Association, as provided in section 46b.(1) (d) and (2) (d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, including the retention, out of this share of a parimutuel pool where the patron is required to select three or more horses, of a sum deemed necessary by the New Jersey Racing Commission for use by that commission to finance a prerace blood testing program and such other testing programs which that commission shall deem proper and necessary and which shall be subject to the regulation and control of that commission, or as provided by a contractual agreement authorized under section 12 of P.L.2013, c.266 (C.5:5-189).

10. Section 13 of P.L.1992, c.19 (C.5:12-203) is amended to read as follows:

C.5:12-203 Wagers subject to takeout rate.

13. Sums wagered at a casino on races being transmitted to that casino from an out-of-State sending track shall be subject to the takeout rate determined pursuant to section 12 of this act, and the sums resulting from that takeout rate as applied to the parimutuel pool generated at the casino shall be distributed as follows, subject to the provisions of section 16 of this act:

a. .50% of the parimutuel pool generated at the casino shall be paid to the New Jersey Racing Commission for deposit in the Casino Simulcasting Fund established pursuant to section 18 of this act;

b. the actual amount paid by the casino for the transmission of the race, which shall be not more than 6%, or if applicable not more than 9%, of the parimutuel pool generated at the casino shall be paid to the casino to be used for payment to the out-of-State sending track for the transmission of the race, as provided in section 11 of this act;

c. in calendar years 1993, 1994, and 1995, 2% of the parimutuel pool generated at the casino shall be paid to the New Jersey Racing Commission for payment to the Atlantic City Racetrack until a total of \$100,000,000 in parimutuel pools has been generated in wagering on simulcast races at all casinos in each of those calendar years, except that if casino simulcasting in Atlantic City begins after January 1, 1993 and before January 1, 1994, 2% of the parimutuel pool generated at the casino shall be paid to the commission for payment to

the Atlantic City Racetrack until that portion of \$100,000,000 determined by the following formula has been generated in wagering at casinos on simulcast races in 1993:

$$A/B = C/D$$

here: A = 365 minus (a) the number of racing days in 1993, other than live racing days, prior to the commencement of casino simulcasting in Atlantic City that the Atlantic City Racetrack conducts simulcasting under the provisions of the "Simulcasting Racing Act," P.L.1985, c.269 (C.5:5-110 et seq.) or the provisions of section 37 of P.L.1992, c.19 (C.5:5-125), and (b) the number of live racing days conducted by the Atlantic City Racetrack in 1993;

B = 365 (the number of calendar days in 1993);

C = the amount of the parimutuel pool generated in wagering on simulcast races in 1993 of which 2% is to be paid to the New Jersey Racing Commission for payment to the Atlantic City Racetrack;

D = \$100,000,000;

d. of the amount remaining after the deduction of the amounts under subsections a., b., and c. from the amount of the takeout rate, 55% shall be paid to the casino;

e. .50% of the parimutuel pool generated at the casino shall be paid to the New Jersey Racing Commission and shall be deposited by that commission as follows:

(1) 50% in the special trust account established pursuant to or specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution as provided in section 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1), (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b), and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii), and (iii) of P.L.1971, c.137 (C.5:10-7), as appropriate; and

(2) 50% in the special trust account established pursuant to or specified in section 46b.(1)(e) and (2)(e) of P.L.1940, c.17 (C.5:5-66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution as provided therein;

f. .03% of the parimutuel pool generated at the casino shall be paid to the New Jersey Racing Commission and set aside in the special trust account for horse breeding and development for distribution and use as provided in section 5 of P.L.1967, c.40 (C.5:5-88); and

g. the amount remaining after the deduction of the amounts under subsections a., b., c., d., e., and f. from the amount of the takeout rate shall be distributed as follows:

(1) 43% of that remaining amount shall be paid to the New Jersey Racing Commission and shall be distributed by that commission, on the basis of the following formula, among the New Jersey racetracks for their own use:

$$A/B = C/D$$

here: A = the gross parimutuel pool generated at each racetrack during the preceding calendar year, including the parimutuel pool on simulcast races;

B = the gross parimutuel pool generated at racetracks Statewide during the preceding calendar year, including the parimutuel pool on simulcast races;

C = the amount to be paid to each racetrack from the moneys available for distribution pursuant to this paragraph;

D = the total amount of moneys available for distribution pursuant to this paragraph;

(2) 43% of that remaining amount shall be paid to the New Jersey Racing Commission and, subject to the provisions of section 14 of this act, shall be distributed by that commission, in the following year and on the basis of the following formula, among the New

Jersey racetracks for payment as purse money and for programs designed to aid horsemen and horsemen's organizations as provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the case of harness races, except that the amount distributed to standardbred racetracks for payment as purse money may be distributed as provided by a contractual agreement authorized under section 11 of P.L.2013, c.266 (C.5:5-188), and section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case of running races, except that the amount distributed to thoroughbred racetracks for payment as purse money may be distributed as provided by a contractual agreement authorized under section 12 of P.L.2013, c.266 (C.5:5-189):

$$A/B = C/D$$

here: A = the total amount distributed by each racetrack pursuant to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the case of harness races, or section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case of running races, during the preceding calendar year, plus any additional amounts paid out by each racetrack for overnight purses during the preceding calendar year from the permit holder's share of the parimutuel pool;

B = the total amount distributed by racetracks Statewide pursuant to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), and section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the case of harness races, and pursuant to section 46b.(1)(d) and 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), and section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case of running races, during the preceding calendar year, plus any additional amounts paid out by racetracks for overnight purses during the preceding calendar year from the permit holders' share of the parimutuel pool;

C = the amount to be paid to each racetrack from the moneys available for distribution pursuant to this paragraph;

D = the total amount of moneys available for distribution pursuant to this paragraph; and

(3) 14% of that remaining amount shall be paid to the New Jersey Racing Commission for deposit in the Casino Simulcasting Special Fund established pursuant to section 15 of this act.

In addition, all breakage moneys and outstanding parimutuel ticket moneys resulting from the wagering at the casino shall be paid to the New Jersey Racing Commission and deposited in the Casino Simulcasting Special Fund.

If a racetrack conducts both harness races and running races, the moneys the racetrack receives for payment pursuant to paragraph (2) of subsection g. above shall be distributed on the basis of the following formula:

$$A/B = C/D$$

here: A = the total amount distributed by the racetrack pursuant to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, in the case of harness races, plus any additional amounts paid out by the racetrack for overnight purses for harness races during the preceding calendar year from the permit holder's share of the parimutuel pool, or pursuant to section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b)

of P.L.1971, c.137 (C.5:10-7), as appropriate, in the case of running races, plus any additional amounts paid out by the racetrack for overnight purses for running races during the preceding calendar year from the permit holder's share of the parimutuel pool, as the case may be;

B = the total amount distributed by the racetrack pursuant to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, and pursuant to section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, plus any additional amounts paid out by the racetrack for overnight purses for both harness and running races during the preceding calendar year from the permit holder's share of the parimutuel pool;

C = the amount to be paid by the racetrack for overnight purse money and for programs designed to aid horsemen and horsemen's organizations as provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the case of harness races, and section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case of running races;

D = the total amount of moneys available to the racetrack for distribution as overnight purse money and for programs designed to aid horsemen and horsemen's organizations pursuant to this paragraph.

C.5:5-188 Contractual agreements with the Standardbred Breeders' and Owners' Association of New Jersey.

11. A harness racing permitholder may enter into a contractual agreement with the Standardbred Breeders' and Owners' Association of New Jersey providing that a portion of the purse monies that are statutorily dedicated to the permitholder or the association will be expended for a use that the New Jersey Racing Commission approves as directly advancing, preserving, and enhancing the overall economic well-being of the standardbred horse racing and breeding industry in New Jersey. The portion of purse monies that are redistributed pursuant to a contractual agreement under this section shall be used to advance, preserve, and enhance the overall economic well-being of the standardbred horse racing and breeding industry in New Jersey. A contractual agreement authorized pursuant to this section shall not redistribute any money that is statutorily dedicated for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey or for the administration of a health benefits program for the horsemen.

The permitholder and the association shall include any expenditures resulting from a contractual agreement authorized pursuant to this section in their respective annual budgets and audited financial statements, which shall be submitted to the New Jersey Racing Commission as provided for by law or regulation.

The permitholder and the association shall provide a copy of any contractual agreement authorized pursuant to this section to the New Jersey Racing Commission upon its execution and obtain the New Jersey Racing Commission's approval of the agreement prior to any redistribution of any portion of these purse monies.

C.5:5-189 Contractual agreements with the New Jersey Thoroughbred Horsemen's Association.

12. A permitholder conducting thoroughbred racing may enter into a contractual agreement with the New Jersey Thoroughbred Horsemen's Association providing that a portion of the purse monies that are statutorily dedicated to the permitholder or the association will be expended for a use that the New Jersey Racing Commission approves as directly advancing, preserving, and enhancing the overall economic well-being of the thoroughbred horse racing industry in New Jersey. The portion of purse monies that are redistributed pursuant to a contractual agreement under this section shall be used to advance, preserve, and enhance the overall economic well-being of the thoroughbred horse racing industry in New Jersey. A contractual agreement authorized pursuant to this section shall not redistribute any money that is statutorily dedicated for programs designed to aid the horsemen and the New Jersey Thoroughbred Horsemen's Association or for the administration of a health benefits program for the horsemen.

The permitholder and the association shall include any expenditures resulting from a contractual agreement authorized pursuant to this section in their respective annual budgets and audited financial statements, which shall be submitted to the New Jersey Racing Commission as provided for by law or regulation.

The permitholder and the association shall provide a copy of any contractual agreement authorized pursuant to this section to the New Jersey Racing Commission upon its execution and obtain the New Jersey Racing Commission's approval of the agreement prior to any redistribution of any portion of these purse monies.

13. This act shall take effect immediately.

Approved January 17, 2014.